

FORM MR-RC
Revised January 7, 1999
RECLAMATION CONTRACT

File Number M/049/032

Effective Date May 7, 1999

Other Agency File Number n/a

**STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING**

1594 West North Temple Suite 1210

Box 145801

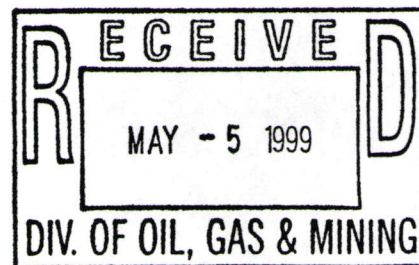
Salt Lake City, Utah 84114-5801

(801) 538-5291

Fax: (801) 359-3940

RECLAMATION CONTRACT

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For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M/049/032
(Mineral Mined) Limestone Aggregate

"MINE LOCATION":
(Name of Mine) Valley Asphalt Ekins East Quarry
(Description) 3 Miles West of Santaquin City
on US-6

"DISTURBED AREA":
(Disturbed Acres) 110.1 Acres
(Legal Discription) (refer to Attachment "A")

"OPERATOR"
(Company or Name) Valley Asphalt, Inc.
(Address) 1172 South Del Monte Road
P.O. Box 220
Spanish Fork, UT 84660
(Phone) (801) 798-7486

"OPERATOR'S REGISTERED AGENT":

(Name)
(Address)

Brent R. Sumsion

1172 South Del Monte Road

P.O. Box 220

Spanish Fork, UT 84660

(801) 798-7486

(Phone)

"OPERATOR'S OFFICER(S)":

Brent R. Sumsion, President

Scott J. Sumsion, Vice President

Michael Stone, Secretary

"SURETY":

(Form of Surety - Attachment B)

Surety Bond # ~~244444~~

"SURETY COMPANY"

(Name, Policy, or Acct. No.)

American Home Assurance Co.

"SURETY AMOUNT"

(Escalated Dollars)

\$327,200.00

"ESCALATION YEAR":

2004

"STATE":

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Valley Asphalt, Inc. the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/049/032 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated June 26, 1997, and the original Reclamation Plan dated June 26, 1997. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The

Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of the Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this contract on behalf of the named party.

OPERATOR:

Valley Asphalt, Inc.
Operator Name

By Brent R. Sumsion
Authorized Officer (Typed or Printed)

President
Authorized Officer Position

[Signature]
Officer's Signature

May 4, 1999
Date

STATE OF Utah)
COUNTY OF Utah) ss:

On the 4th day of May, 1999, personally
appeared before me Brent Sumsion who being by me
duly sworn did say that he/she, the said President is the
President of Valley Asphalt and duly
acknowledged that said instrument was signed on behalf of said company by authority of
its bylaws or a resolution of its board of directors and said President
duly acknowledged to me that said company executed the same.



May 11, 2002
My Commission Expires:

Jennifer A. White
Notary Public
Residing at: 141 N. Grant Ave #5
American Fork, UT 84003

DIVISION OF OIL, GAS AND MINING:

By Lowell P. Braxton
Lowell P. Braxton, Director

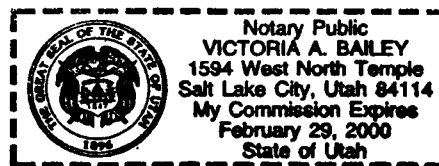
5-7-99
Date

STATE OF UTAH)
)ss:
COUNTY OF SALT LAKE)

On the 7th day of MAY, 1999, personally
appeared before me Lowell P. Braxton who being by me
duly sworn did say that he ~~she~~, the said Lowell P. Braxton is the
Director of the Division of Oil, Gas & Mining and duly
acknowledged that said instrument was signed on behalf of said company by authority of
its bylaws or a resolution of its board of directors and said Lowell P. Braxton
duly acknowledged to me that said company executed the same.

Victoria A. Bailey
Notary Public
Residing at: SALT LAKE CITY, UT

February 29, 2000
My Commission Expires:



ATTACHMENT "A"

Valley Asphalt, Inc.
Operator

Valley Asphalt Ekins East Quarry
Mine Name

M/049/032
Permit Number

Utah County, Utah

The legal description of lands to be disturbed is: SEE ATTACHMENT

Tract A

Township 10 South, Range 1 East, SLM

SECTION 4

That portion of Section 4, Township 10 South, Range 1 East of the Salt Lake Base and Meridian in the County of Utah, State of Utah, being the portion of the West half of the Southwest quarter of said Section 4 lying West of the center of the bed of an intermittent stream as shown on Exhibit A, attached hereto and made a part hereof, and being more particularly described as follows:

BEGINNING at the Southwest corner of said Section 4 with State Coordinates $X=1,904,092.44'$ $Y=595,374.77'$;
Thence North approximately 2545 feet along the West line of said Section to the intersection of the centerline of a creek bed and the West line of said Section;
Thence southerly approximately 3085 feet following the meanders of said centerline of creek bed to the intersection of said centerline of creek and the South line of said Section;
Thence West approximately 1131 feet along the South line of said Section to the **POINT OF BEGINNING**, containing 33.15 acres more or less.

ADDITIONAL LAND:

All property of Shirl L. Ekins in the Southwest quarter of said Section 4 not included in the above description.

SECTION 5

That portion of the Section 5, Township 10 South, Range 1 East of the Salt Lake Base Meridian in the County of Utah, State of Utah, as shown on Exhibit A, and being more particularly described as follows:

BEGINNING at the Southeast corner of said Section 5 with State Coordinates X= 1,904092.44' Y= 595,374.77';

Thence West approximately 2651 feet along the South line of said Section to the Southwest corner of the Southeast quarter of said Section;

Thence North approximately 1017 feet along the West line of the Southeast quarter of said Section to the Northwest corner of the South three-eighths of the Southeast quarter of said Section;

Thence East approximately 259 feet along the North line of the South three-eighths of the Southeast quarter of said Section to a point in the East right-of-way of Warm Springs Road;

Thence northerly approximately 358 feet along the East right-of-way of Warm Springs Road to the North line of the South half of the Southeast quarter of said Section;

Thence East approximately 955 feet along the North line of the South half of the Southeast quarter of said Section to the Northeast corner of the Southwest quarter of the Southeast quarter of said Section;

Thence North approximately 1342 feet to a point in the North line of the Southeast quarter of said Section;

Thence East approximately 1327 feet along the North line of the Southeast quarter of said Section to the Northeast corner of the Southeast quarter of said Section;

Thence South approximately 2684.84 feet along the East line of the Southeast quarter of said Section to the **POINT OF BEGINNING**; containing 120.77 acres more or less.

ADDITIONAL LAND:

All property of Shirl L. Ekins in the Southeast quarter of said Section 5 not included in the above description.

SECTION 8

The Northeast quarter of Section 8, Township 10 South, Range 1 East of the Salt Lake Base and Meridian in the County of Utah, State of Utah, as shown on Exhibit A; containing 160.20 acres more or less.

INGRESS/EGRESS EASEMENT

TOGETHER WITH an easement 100 feet in width over and across Ekins' lands in the E $\frac{1}{2}$ of Section 5, Township 10 South, Range 1 East, SLM for ingress and egress between the Subject Lands and U.S. Highway 6 (the "Tract A Access Easement").

Tract B**Township 10 South, Range 1 East, SLM**

That portion of Section 4, Township 10 South, Range 1 East of the Salt Lake Base and Meridian in the County of Utah, State of Utah, being the East one-eighth of the Southwest quarter and the West seven-eighths of the Southeast quarter of said Section 4, as shown on Exhibit B, attached hereto and made a part hereof, and being more particularly described as follows:

Commencing at the Southeast Corner of said Section 4 with State Coordinates X= 1,909,442.09' Y= 595,478.32';

Thence West approximately 336.68 feet along the South line of said Section, to the POINT OF BEGINNING;

Thence continuing West approximately 2356.77 feet along the South line of said Section to the Southwest corner of the Southeast quarter of said Section;

Thence continuing West approximately 332.26 feet along the South line of said Section to the Southwest corner of the East one-eighth of the Southwest quarter of said Section;

Thence North approximately 2645.76 feet parallel to the West line of the Southeast quarter of said Section to the Northwest corner of the East one-eighth of the Southwest quarter of said Section;

Thence East approximately 332.81 feet along the North line of the Southwest quarter of said Section to the Northwest corner of the Southeast quarter of said Section;

Thence continuing East approximately 2333.25 feet along the North line of the Southeast quarter of said Section to the Northeast corner of the West seven-eighths of the Southeast quarter of said Section;

Thence South approximately 2638.12 feet parallel to the East line of said Section to the POINT OF BEGINNING, containing 162.37 acres more or less.

INGRESS/EGRESS EASEMENT

TOGETHER WITH an easement 100 feet in width over and across Ekins' lands in the North half of Section 4, Township 10 South, Range 1 East, SLM, for the purpose of ingress and egress between the Subject Lands and U.S. Highway 6 (the "Tract B Access Easement"); the centerline of the Tract B Access Easement being described as follows:

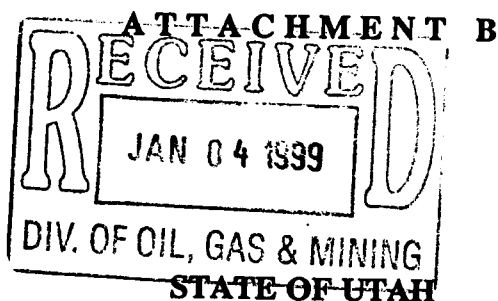
BEGINNING at a point on the centerline of State Highway 6, said point being approximately 200 feet Northeast of the intersection of the centerline of State Highway 6 and the West line of the Northeast quarter of said Section;
Thence South 18 Degrees 15 Minutes 57 Seconds East approximately 607.53 feet to the beginning of a curve concave to the West, having a radius of 500 feet;
Thence southerly approximately 170.83 feet along said curve through a central angle of 19 Degrees 34 Minutes 32 Seconds to a tangent line of said curve;
Thence South 01 Degrees 18 Minutes 38 Seconds West approximately 588.02 feet to the beginning of a curve concave to the East having a radius of 350 feet;
Thence southerly approximately 177.85 feet along said curve through a central angle of 29 Degrees 6 Minutes 53 Seconds to a tangent line of said curve;
Thence South 27 Degrees 48 Minutes 17 Seconds East approximately 590.12 feet to a point on the North line of the above-described property, said point being approximately 693.08 feet East of the Northwest corner of the Southeast quarter of said Section.

Also, an extension of the above-described easement being in the North half of Section 4, Township 10 South, Range 1 East, SLM, for the purpose of ingress and egress described as follows:

BEGINNING at the intersection of the East line of the above-described 100-foot easement and the North line of the Southeast quarter of said Section;
Thence Northwest approximately 383.7 feet along the East line of the above-described 100-foot easement to a point;
Thence East 1051.5 feet parallel to the North line of the Southeast quarter of said Section, to a point;
Thence South approximately 330 feet parallel to the East line of said Section, to a point in the North line of the Southeast quarter of said Section;
Thence West 926.43 feet along the North line of said Section, to the **POINT OF BEGINNING**.

WHEREAS, InterMountain desires to lease the Subject Lands for the purpose of exploring for and removing clay, sand, gravel, rock, aggregates and all other earth materials from the Subject Lands and conducting sand, gravel and aggregate processing, storage and handling operations on the Subject Lands; and

MR FORM 5
October 20, 1998



Bond Number
Permit Number M/049/032
Mine Name Ekins East Quarry

DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned Valley Asphalt, Inc., as Principal,
and American Home Assurance Company, as Surety, hereby jointly and
severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly
and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal
sum of Three Hundred Twenty Seven Thousand, Two dollars (\$ 327,200.00-----).
Hundred and No/100-----

Principal has estimated in the Mining and Reclamation Plan approved by the Division
on the 12th day of May, 19 99, that 110.1 acres of land will
be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the
Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has
satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and
Reclamation Plan and has faithfully performed all requirements of the Mined Land
Reclamation Act, and complied with the Rules and Regulations adopted in accordance
therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the
disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and
regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in
the area disturbed or the extent of disturbance, then, the Division may require that the amount
of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Valley Asphalt, Inc.

Principal (Permittee)

Brent R. Summison

By (Name typed):

President

Title

Signature

12/2/98

Date

Surety Company

American Home Assurance Company

Company Officer

Richard S. Beck

Attorney-in-Fact

Title/Position

Signature

COUNTERSIGNED:

Richard S. Beck

70 Pine Street

Surety Company Address

New York, NY 10270

City, State, Zip

12/2/98

Date

Kaylene Stonestreet Utah Resident Agent

Page 3
MR-5 (revised October 20, 1998)
Attachment B

Bond Number ~~XXXXXX~~
Permit Number M/049-032
Mine Name Ekins East Quarry

SO AGREED this 5 day of May, 1999.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

Lowell P. Braxton
Lowell P. Braxton, Director
Utah State Division of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

AFFIDAVIT OF QUALIFICATION

On the 2nd day of December, 1998, personally appeared before me Catherine M. Gearing who being by me duly sworn did say that he/she, the said Richard S. Beck is the Attorney-in-Fact of American Home Assurance Company and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Richard S. Beck duly acknowledged to me that said company executed the same, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: 
Surety Officer

Title: Attorney-in-Fact

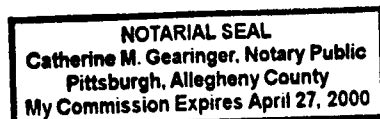
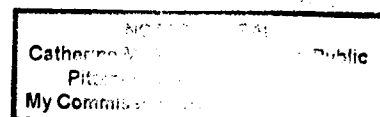
STATE OF Pennsylvania)
) ss:
COUNTY OF Allegheny)

Subscribed and sworn to before me this 2nd day of December, 1998.

Catherine M. Gearing
Notary Public
Residing at: Pittsburgh, PA

My Commission Expires:

April 27, ~~19~~ 2000



No. 01-B-04916

KNOW ALL MEN BY THESE PRESENTS:

That American Home Assurance Company, a New York corporation, and National Union Fire Insurance Company of Pittsburgh, Pa., a Pennsylvania corporation, does each hereby appoint


---Richard S. Beck, William W. Beck, Robert J. Cawley, Jeffrey A. Frank, Paul B. Miller: of Pittsburgh, Pennsylvania---

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the company thereby.

IN WITNESS WHEREOF, American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. have each executed these presents

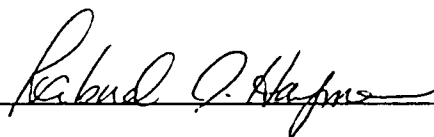
this 28th day of May, 1998.




Lawrence W. Carlstrom, Senior Vice President
National Union Fire Insurance Company of Pittsburgh, Pa.
Vice President American Home Assurance Company

STATE OF NEW YORK }
COUNTY OF NEW YORK}ss.

On this 28th day of May, 1998, before me came the above-named officer of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa., to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporations thereto by authority of his office.


DEBORAH A. HAYMAN
Notary Public, State of New York
No. 01H45081428
Qualified in Suffolk County
Commission Expires June 30, 1999

CERTIFICATE

Excerpts of Resolutions adopted by the Boards of Directors of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognition or other contract of indemnity or writing obligatory in the nature thereof;

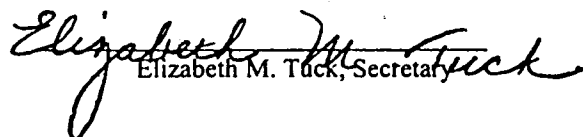
"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of American Home Assurance Company and of National Union Fire Insurance Company of Pittsburgh, Pa., do hereby certify that the foregoing excerpts of Resolution adopted by the Board of Directors of this corporation, and the Power of Attorney issued pursuant thereto, are true and correct, and that both the Resolution and the Power of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of the corporation

this 2nd day of December, 19 98.




Elizabeth M. Tuck, Secretary